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June 23, 1997

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BY HAND DELIVERY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

RECEIVED

JUN 23 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **Ex Parte** Notice, MM Docket 95-176

Dear Mr. Caton:

In accordance with Section 1.1200, et seq. of the Commission's rules, this letter provides notice that on June 23, 1997, Neal Grabell, Senior Vice President, General Counsel, and Secretary of QVC, Inc. ("QVC"), and the undersigned met with Bill Johnson, John Adams, Marcia Glauberman, Alexis Johns, and JoAnn Lucanik of the Cable Services Bureau in connection with the above-captioned proceeding. In this meeting, QVC urged the Commission to exempt the QVC service and all home shopping services from any closed captioning rules adopted in the above-captioned proceeding. The attached documents were distributed at the meeting and were used to lead the discussion.

Kindly direct any questions about this matter to the undersigned.

Thank you.

Sincerely,



Francis M. Buono
Counsel for QVC, Inc.

Attachments

cc: Bill Johnson, Deputy Chief, Cable Services Bureau
John Adams, Staff Attorney
Marcia Glauberman, Senior Statistician
Alexis Johns, Attorney/Advisor
JoAnn Lucanik, Chief, Policy and Rules Division

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QVC and Other Home Shopping Services Should Be Exempt from Closed Captioning

I. CLOSED CAPTIONING IS UNNECESSARY FOR QVC BECAUSE THE SERVICE IS ALREADY FULLY ACCESSIBLE TO THE HEARING-IMPAIRED.

- QVC displays all essential product, ordering, pricing, and shipping information in textual and/or graphical form on the screen (see attached examples).
- Evidence from QVC's TDD facility demonstrates the full accessibility of the QVC service:
 1. This facility is equipped to handle TDD calls on a dedicated 800 number, and is staffed 24 hours a day by customer service agents trained in dealing with the hearing-impaired.
 2. These agents receive approximately 535 TDD calls per month.
 3. Hearing-impaired callers using TDDs to reach QVC ask the same number and types of questions as hearing callers using a telephone.
 4. TDD calls result in the same percentage of QVC sales as calls from hearing individuals using a telephone.

II. THE COSTS OF CLOSED CAPTIONING WOULD FAR OUTWEIGH ANY BENEFIT FOR QVC'S HEARING-IMPAIRED VIEWERS.

- Close captioning QVC's 24-hour, live, unscripted service at a higher quality would cost an estimated \$3.5 million annually (i.e., \$400/hr x 24 hours/day x 365 days = \$3,504,000).
- Because QVC's programming is highly perishable, captioning costs cannot be spread over multiple uses.
- Captioning could actually diminish the value of QVC for the hearing-impaired.
 1. Captioning QVC would block critical on-screen product and ordering information or the visual image of the product itself (see attached examples).
 2. The inaccuracies typical of real-time captioning could mislead hearing-impaired viewers about important aspects of the product, such as price, available sizes, etc.

III. THE COMMISSION SHOULD ALSO EXEMPT THE CLASS OF HOME SHOPPING SERVICES.

- All home shopping services convey essential product and ordering information visually on screen.
- Because the burden to caption home shopping services (in terms of cost and reduced quality) would be substantial, and any benefit to the hearing-impaired would be insignificant, a class exemption is warranted.

PROPOSED RULE

§ XX.XXX

- (a) **Exempt Classes of Video Programming.** The following classes of video programming are exempt from the closed captioning requirements contained in this section:
- (1) Home Shopping Services.
 - (2) [INSERT OTHER CLASS EXEMPTIONS]
- (b) **Definitions.** For purposes of this section, the following definitions shall apply:
- (1) **Home Shopping Service.** A home shopping service is a video programming service which: (1) consists of the display and promotional description, 24 hours per day, of consumer goods and services that viewers can order while the goods or services are being presented on television or later via a telephone or TTD/TTY call, mail order, or an online computer service; and (2) continuously displays essential product, pricing, and ordering information in textual and/or graphical form on the screen throughout the presentation of the good or service.¹
 - (2) [INSERT OTHER DEFINITIONS]

¹

The first part of this definition is based on a definition of "televised shopping channel programming" taken from a second request by the Federal Trade Commission. The FTC's definition read in full: "The term 'televised shopping channel programming' or 'televised shopping channel' means programming consisting of the display and promotional description of consumer goods and services, which viewers can order while the goods or services are being displayed on television or later via telephone."

A-28706

Suede
Pull-on
Scrunch
Boots

RETAIL VALUE

\$35.75

QVC PRICE

~~\$28.50~~

S&H \$4.47

QUANTITY
ORDERED

875

Sizes Available

6 to 10,11,12

QVC 1-800-345-1515

and *Style*

E-9055

Royal
3-Sheet
Paper Shredder
w/Wastebasket



QVC PRICE
\$55.00

S&H \$6.72

INTRODUCTORY
PRICE
\$49.96

QUANTITY
ORDERED
976

EASY PAY
2 PAYMENTS OF
\$24.98

QVC 1-800-345-1515

2:13
TIME LEFT

Dirt does not
travel through

Motor-Jan

Clean Air

QVC 1-800-345-1515

THE CLEANER
HOME

A-38262

**Hooded
Wool Jacket
with Faux Fur
Trim**

**RETAIL VALUE
\$156.00**

**QVC PRICE
~~\$109.50~~**

S&H \$5.47

**Sizes Available
S, M, L, XL**

**THIS IS AN EXAMPLE OF CLOSED CAPTIONING IN THE LOWER
THIRD OF THE PICTURE. IT OBSCURES KEY PRICE AND
ORDERING INFORMATION.**

Ayle

THIS IS AN EXAMPLE OF CLOSED CAPTIONING IN THE UPPER
THIRD OF THE PICTURE. IT OBSCURES THE PRODUCT ITSELF,
AS WELL AS KEY DESCRIPTIVE AND ORDERING INFORMATION.

With Faux Fur
Trim

RETAIL VALUE

\$156.00

QVC PRICE

~~\$109.50~~

S&H \$5.47

Sizes Available

S, M, L, XL

QVC 1-800-345-1515

and Style